

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**SURINAME**

**STRENGTHENING SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT  
IN SURINAME**

**(SU-L1067)**

**PROJECT PROFILE**

This document was prepared by the project team consisting of: Tatiana Kopelman (CSD/HUD), Team Leader; Raul Delgado (CSD/CCS), Alternate Team Leader; Francine Vaurof (CSD/CCS); Raijant Gangadin (CCB/CSU); Carlos Salazar, Silvia Pérez, Dianela Ávila, Sofía del Castillo, María Alejandra Villota (CSD/HUD); María del Pilar Jimenez (LEG/SGO); Jorge Franco (SPD/SDV); Cleide Berlanda Custodio de Silva, Veerle Vivienne Combee (VPC/FMP); Nicolas Bujak (VPS/ESG); Yves Lesenfants (CSD/ACU); Suzanne Duryea (SCL/GDI); Jason Malcolm Wilks (IFD/ICS); and Santiago Bucaram Villacis (CSD/RND).

Under the Access to Information Policy, this document is subject to Public Disclosure.

## PROJECT PROFILE

### SURINAME

#### I. BASIC DATA

**Project Name:** Strengthening Spatial Planning and Environmental Management in Suriname

**Project Number:** SU-L1067

**Project Team:** Tatiana Kopelman (CSD/HUD), Team Leader; Raul Delgado (CSD/CCS), Alternate Team Leader; Francine Vaurof (CSD/CCS); Raijant Gangadin (CCB/CSU); Carlos Salazar, Silvia Perez, Dianela Avila, Sofia del Castillo, María Alejandra Villota (CSD/HUD); Maria del Pilar Jimenez (LEG/SGO); Jorge Franco (SPD/SDV); Cleide Berlanda Custodio de Silva, Veerle Vivienne Combee (VPC/FMP); Nicolas Bujak (VPS/ESG); Yves Lesenfants (CSD/ACU); Suzanne Duryea (SCL/GDI); Jason Malcolm Wilks (IFD/ICS); and Santiago Bucaram Villacis (CSD/RND).

**Borrower:** Republic of Suriname

**Loan Modality:** Specific Investment

**Executing Agencies:** Ministry of Spatial Planning and Environment and National Environment Authority

**Financial Plan:**

IDB (source):	US\$	50,000,000
Co-financing	US\$	0,00
<b>Total:</b>	<b>US\$</b>	<b>50,000,000</b>

**Safeguards:**

Risk Classification: B

Impact classification: B

**Processing track:** ☐ Standard ☒ Special

**Country Strategic Alignment:** Climate change resilience, Institutional capacity and public services improvement

**Strategic Alignment:** <sup>1</sup>

**Challenges:** ☒ Social Inclusion ☐ Productivity and Innovation ☐ Economic Integration

**Crosscutting:** ☐ Gender Equality ☐ Diversity ☒ Environmental sustainability ☒ Climate Change ☒ Institutional Capacity and Rule of Law

#### II. GENERAL JUSTIFICATION AND PROGRAM STRATEGY

- 2.1 **Background and problems.** Spatial planning in Suriname has historically been characterized by insufficient regulation, issuance of overlapping mining and forestry concessions, double issuance of land domain, lack of structure, planning and zoning plans, and land degradation in protected areas. It has focused on managing infrastructure for urban and residential areas, primarily by the Ministry of Public Works.<sup>2</sup> Its legal framework lies in two outdated and limited acts,<sup>3</sup> which are insufficient to regulate environmental and land management. Consequently, there has been an unbridled land exploitation that is not based on the suitability of

<sup>1</sup> Pending confirmation of the responsible areas.

<sup>2</sup> Support Sound Land Use Planning in Suriname. WWF (2015).

<sup>3</sup> The Planning Act and Urban Development Act, developed in 1973.

soil and subsoil, water, ecology, and the related characteristic features and/or landscape types, nor is it based on the appropriate activities of the various members of the population. Moreover, the country's urban areas are dominated by low-density development (3.6 h/km<sup>2</sup>)<sup>4</sup> despite holding over 70% of the population.

- 2.2 Furthermore, with over 90% of its population and much of its infrastructure and human activity located along the low-lying coastal strip, Suriname is particularly vulnerable to the effects of Climate Change (CC). Suriname's contribution to CC is small since its forests store 13.1 Gt CO<sub>2</sub>e., making it a carbon-negative country.<sup>5</sup> However, many sectors are exposed to suffering losses and damage caused by gradual changes and extreme events related to CC.<sup>6</sup> The climate is expected to become hotter and drier: minimum temperatures are expected to increase, and rain to decrease. Precipitation events are predicted to become more intense. This could lead to increased flood risk and sea level rise, putting pressure on coastal defenses, land drainage and irrigation systems, housing, and overall infrastructure. Poor management practices and lack of integrated land use planning contribute to these challenges. The severity of the forecasts highlights the urgent need for strengthening spatial planning regulations and enforcement and incorporating CC considerations into these policies.
- 2.3 The Government of Suriname created the Ministry of Spatial Planning and Environment (MinROM) in 2020, to formulate the country's environmental and spatial planning policy and institutional coordination. Currently, with the support of the Bank, MinROM is working on a Spatial Planning Act.<sup>7</sup> Simultaneously, by enacting the Environmental Framework Act, the Government of Suriname seeks to achieve a more specific and integrated national environmental management. Under this Act, the National Environment Authority (NMA) is established as an independent administrative body with legal personality that will be the successor of the National Institute for Environment and Development (NIMOS). The NMA shall prepare the National Environment Strategy and be the focal point for environmental protection enforcement. NMA will support MinROM in formulating environmental legislation, ensuring that all multilateral environmental and CC agreements are integrated into national policies and legislation.
- 2.4 Nevertheless, MinROM and NMA lack institutional, coordination and technical capacity to enact and enforce regulation. An analysis of the problem found that its main determinants are: first, **lack of technical and human resource capacities** in MinROM and NMA, which makes fulfilling the agencies' mandates unmanageable. Both institutions have insufficient technical expertise and inadequate management systems. NMA faces difficulties hiring personnel due to salary limits and challenges to find qualified professionals. With 46 vacant positions, only 50% of their positions are currently filled.<sup>8</sup> It also lacks staff training programs, electronic systems to manage projects, and procedures for technical quality management of works/goods, financial accounting, and procurement. MinROM lacks a Human Resources Department, personnel and functions manual,

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<sup>4</sup> ILO (2019) Suriname. Decent Work Country Program.

<sup>5</sup> Suriname Nationally Determined Contribution (NDC) (2020).

<sup>6</sup> State of the Climate Report Surinam. IDB (2021).

<sup>7</sup> [ATN/OC-17395-SU](#).

<sup>8</sup> To deploy sufficient capacity, NMA needs to hire 1 General Director, 5 Deputy Directors, 13 Technical and Administrative Managers, 13 Officers, 8 Monitoring Officers, and 14 Enforcement Officers.

and qualified staff for procurement and project management. There is also a higher than average (20% vs 10%) vacancy rate for the Technical, Procurement, Accounting and Finance and Project Management Departments. MinROM staff is composed of 60 people and needs to grow the team in at least 30% in the upcoming year.<sup>9</sup> Currently, the position of permanent secretary of Spatial Planning is vacant and the area holds only 6 staff. Both institutions lag in terms of the provision of online services such as permit applications and public access to information. Second, **inadequacy of the current governmental facilities:** MinROM and NMA lack sufficient physical space to accommodate and enlarge their teams. They are currently renting working spaces that are neither accessible nor efficient. They also have insufficient office furniture, storage, computer hardware/software, monitoring equipment, vehicles, internet, telecommunications, and security services. Third, **weak legal frameworks and regulation arrangements:** Suriname has long dealt with outdated and insufficient legal instruments to regulate spatial and environmental development. The Government of Suriname needs to create specific legal frameworks<sup>10</sup> (i.e., zoning codes, structural development regulations) and bylaws to support the regulation of spatial and land development. For environmental management, the legal framework has been developed, but the bylaws for enforcement and technical capacity for monitoring compliance still need to be included. These include regulations regarding noise, water and air pollution, sanction and fee collection mechanism, environmental impact assessment legislation, environmental monitoring standards, among others. Lastly, **insufficient land use and environmental data** hinder the agencies' planning and effective decision-making. NMA, which manages land use and environmental data has recently created the Suriname Environmental Information Network (SMIN). Nevertheless, it is not operational, due to a lack of capacity and protocols for collecting, organizing, protecting, storing, and sharing data. To set up an adequate environmental monitoring system, NMA needs specialized equipment, and an automated system to keep track of procedural<sup>11</sup> and environmental data.<sup>12</sup>

- 2.5 **Program Strategy.** The strategy aims at supporting Suriname's effort to manage land use, spatial planning, and environmental issues by supporting MinROM and NMA's institutional capacity through a systematic approach to institutional capacity building. These actions will contribute to reduce Suriname's environmental and socioeconomic vulnerability to climate change. Emphasis will be placed on attracting and retaining personnel through training and other incentive

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<sup>9</sup> The Spatial Planning Directorate has 6 employees and needs to grow to 26; The Environment Directorate has 13 employees and needs to grow to 28; The General Management and Financial Admin Directorate has 23 employees and needs to reach 54.

<sup>10</sup> The legal frameworks will be based on the Spatial planning Act, being developed under [ATN/OC-19009-SU](#). These include zoning regulation and codes, fee regulations for the services provided by the Ministry, subdivision regulations and Physical and social infrastructure standards, among others.

<sup>11</sup> The system should allow NMA to keep track of monitoring program or schedule; monitoring and reporting frequency; roles and responsibilities; compliance/non-compliance; reporting schedule; submission dates, etc.

<sup>12</sup> The system should allow NMA to access crucial information from the Environmental Impact Assessment (EIA) that is necessary for environmental monitoring and informed decision making: baseline data (quantitative and qualitative) categorized by environmental component and environmental aspect; geographical data; significant environmental impacts; mitigation measures; monitoring variables and/or performance indicators for each environmental aspect that will be significantly impacted; monitoring results for each environmental aspect.

mechanisms, regulation enforcement and data collection and management capacity to guarantee sustainability. The strategy will also focus on creating public awareness of land use and environmental issues.

- 2.6 Through effective spatial planning and environmental management, this operation will support the Government of Suriname in achieving the Nationally Determined Contributions (NDCs) under three emitting sectors (forests, agriculture, and transport). A new spatial planning framework will support the country in maintaining its 93% forest coverage and facilitate increased management of protected land. Appropriate land use and environmental management is central to the sustainable expansion of the agricultural production area. It contributes to NDC's transport and urban infrastructure by providing the necessary regulation promoting compact cities, encouraging public transportation usage and active mobility.
- 2.7 Climate finance plays a central role in enabling the transition to a low-carbon and climate change resilient economy. Realizing these investments is a challenge in Suriname, specially under the recent debt crisis and the limited fiscal space to finance low carbon-aligned projects. To enable the necessary transformations to achieve its long-term sustainability goals, such as the ones stated in the Multi-Annual Development Plan, the National Adaptation Plan (NAP) and the NDCs, the Government of Suriname needs access to financial resources, technologies and increased human capacities. Strengthening the institutional and regulatory capacities within ROM and NMA, will enable a clear legal framework assigning key responsibilities, prioritization and decision-making powers that will contribute to the development of instruments for climate finance.
- 2.8 **Strategic alignment.** This operation is aligned with the IDB's Institutional Strategy - UIS (AB-3190-2) and is expected to contribute to the Corporate Results Framework 2020-2023 (GN-2727-12) through the development challenges of: Social Inclusion and Equality, by contributing to a better understanding of the land demands for housing, social infrastructure, and mixed uses. It also aligns to the cross-cutting issues of: (i) Climate Change and Environmental Sustainability, by enhancing disaster and climate change resilience; and (ii) Institutional Capacity and Rule of Law, by improving Government of Suriname capacities to draft and implement environmental and spatial policy, mainstreaming mitigation and adaptation into spatial development regulation. Through the developed regulation, the operation will be promoting an efficient use of land allowing for an improvement in the distribution and quality of public services, aligning the operation to the IDB Group Country Strategy with Suriname 2021- 2025 (GN-3065-1). The operation also contributes to the Country Strategy's cross cutting themes of CC resilience and institutional capacity by increasing the capabilities of creating and enforcing legal mechanisms geared towards increasing the country's resilience and ability to provide sound policy recommendations. It is also consistent with the Sector Framework Document of Climate Change (GN-2835-8) in the dimension of success 1: Countries have institutions and markets that are supporting objectives and commitments, including those set out within the Paris Agreement, toward climate-resilient and low-carbon development, as well as the Sector Framework Document of Housing and Urban Development (GN-2732-11) in the line of action 2: Reducing Pollution and Increasing Climate Mitigation and Resiliency Levels and 4: Promoting Good Urban Governance. Similarly, the operation is aligned with line of action 1 of the Transportation Sector Framework Document (GN-2740-9) which

aims to promote efficient, inclusive, sustainable, and high-quality mobility for urban and interurban passengers. Regarding Paris Agreement alignment, the Joint MDB Framework approach has been applied to the operation to identify whether it will need a specific assessment.

- 2.9 **Objectives and components.** The objective of the program is to strengthen Suriname's institutional capacity to manage land use, spatial planning, and environmental issues. The specific objectives are (i) to strengthen MinROM's institutional capacity for spatial planning, land use and environmental regulation; and (ii) to strengthen NMA's institutional capacity for environmental policy implementation, monitoring and enforcement. These objectives will be achieved through:

2.10 **Component 1. Institutional Capacity Strengthening of the MinROM (US\$22,000,000).**

- a. **Subcomponent 1.1. Organizational Resources, Infrastructure and Skills (US\$15,000,000).** This subcomponent will contribute to strengthening MinROM institutional capacity for spatial planning, land use and environmental regulation by ensuring MinROM's has adequate facilities, equipment, and software and its staff is trained, through: (i) supporting MinROM's organizational structure and processes reengineering, including the development and implementation of a change management plan; (ii) recruitment of technical and administrative staff promoting the inclusion of women and diverse groups; (iii) development and implementation of training programs in strategic administrative areas such as procurement, project management, leadership, public participation, stakeholder engagement and data management; (iv) development and implementation of training programs in environmental management, spatial planning and sustainable land use; (v) construction of a bioclimatic and accessible building for the ministerial headquarters; (vi) purchasing and updating equipment, including computer hardware and software, scanners and plotters, office equipment, terrain vehicles, among others; (vii) design and implementation of a management and a permits and licensing software; and (viii) development and publication of land use data infrastructure and platform (including zoning codes, variance concessions).
- b. **Subcomponent 1.2. Spatial planning and environmental regulation and enforcement with climate change considerations (US\$7,000,000).** This subcomponent will contribute to strengthening MinROM institutional capacity for spatial planning, land use and environmental regulation by generating the required regulation and its enforcement strategy, through: The results will be achieved through the following activities: (i) design and implementation of spatial planning, land use and environmental regulation and accompanying instruments; (ii) definition of an enforcement strategy; and (iii) development of an awareness, outreach, and communication plan.

2.11 **Component 2. Institutional Strengthening of the NMA (US\$23,000,000).**

- a. **Subcomponent 2.1. Organizational resources, infrastructure and skills (US\$12,000,000)** This subcomponent will contribute to strengthening NMA's institutional capacity for environmental policy implementation, monitoring and enforcement by ensuring MinROM's has adequate facilities, equipment, and software and its staff is trained, through: (i) supporting NMA's organizational structure and processes reengineering, including the development and implementation of a change management plan; (ii) recruitment of technical and administrative staff promoting the inclusion of women and diverse groups; (iii) development and implementation of training in areas such as procurement, project management, leadership, data management, public participation and stakeholder engagement; (iv) development and implementation of training programs in environmental management and sustainable land use with climate change considerations, environmental economics, environmental assessment, environmental law, environmental monitoring; (v) construction of a bioclimatic and accessible building for NMA headquarters; (vi) purchasing and updating equipment, including computer hardware and software, office equipment, terrain vehicles, field equipment, among others; (vii) design and implementation of a management and a permits and licensing software; and (viii) develop instruments for climate financing.
- b. **Subcomponent 2.2. Environmental Monitoring and Data Management (US\$11,000,000).** This subcomponent will contribute to strengthening NMA's institutional capacity for environmental policy implementation, monitoring and enforcement by implementing a comprehensive environmental data and monitoring strategy through: (i) design and implementation of a plan to: standardize and digitalize environmental data, identify new data sources including remote sensing and earth observation, and a geospatial data management system –including land, water, biodiversity, urban footprint, vulnerability; (ii) training material on data management, gathering and system use; (iii) development of an Environmental Information System; (iv) development of inter-agency data sharing mechanisms and arrangements; (v) design of environmental quality standards and a monitoring and enforcement system; (vi) purchasing monitoring equipment such as: passive air quality monitoring and portable air quality stations; air, soil and water sampling equipment, noise measuring and portable mercury measuring equipment and specialized lab appliances and supplies; and (vii) design and implementation of an awareness, outreach and communication plan.

2.12 **Project Management, Monitoring, Evaluation, and Audits (US\$5,000,000).** It will finance: (i) hiring an external firm to serve as a technical and project Management Unit to support the program implementation and knowledge transfer to the EA; (ii) supporting staff for the program's administration; (iii) monitoring and evaluation of the program; (iv) external financial auditing; and (v) implementation of ESG instruments.

- 2.13 **Benefits and Potential Beneficiaries.** The direct beneficiaries of this operation are the Suriname's citizens, who will benefit from organized urban growth and land use and become more aware of land use and environmental issues. Ultimately, through the components of this operation, this program will contribute to Suriname's long-term sustainability strategy as established in the Multi-Annual Development Plan and reflected in the NAP and the NDCs. The main results of this operation will be: (i) improvement of MinROM and NMA's technical capacity; (ii) development of regional structure and zoning plans; (iii) increase in the availability of environmental data; and (iv) improvement in compliance with environmental regulation.
- 2.14 **Modality of the financial instrument.** The Bank will Support the Government of Suriname institutional capacity to manage land use, spatial planning, and environmental issues through a five-year Specific Investment Loan (SIL). This instrument has been selected due to the need for a cohesive sectoral approach to land and environmental management, achieved through the institutional strengthening proposed under this operation.

### III. SECTOR KNOWLEDGE AND PREPARATION PLAN

- 3.1 **Sector knowledge and Bank's experience.** The Bank has financed several operations focused on spatial planning and institutional capacity strengthening, which include similar actions, such as: "Support for the Conservation and Management of Cultural and Natural Heritage" ([4450/OC-PN](#)) and "National Land Use Policy" ([ATN/OC-15982-PN](#)); "Support to the Implementation of Land-Use Planning" ([ATN/AC-19697-DR](#)) and "Support for Local Institutional Strengthening for the Implementation of the General Law of Human Settlements, Land Management and Urban Development and its Territorial and Urban Information System" ([ATN/OC-18878-ME](#)). Since 2019, the IDB has been supporting the Government of Suriname through a technical cooperation called Mainstreaming Climate Change in Sustainable Decision-Making- Tools ([ATN/OC-17395-SU](#)).
- 3.2 **Lessons learned that are applicable to the program.** The operation design builds upon learnings from the experience of the Bank in programs focused on institutional capacity strengthening, spatial planning, geo-data management. Furthermore, the operation considers the Bank's experience in Suriname into its design. These include: (i) having a Management Unit (MU) to support the program's agile implementation and knowledge transfer to the Executing Agencies (EAs); (ii) having one loan with two EAs to improve efficacy; (iii) promoting the development of management and institutional arrangements for execution, coordination, and data sharing among both EAs; and (iv) the importance of capacity building for guaranteeing the sustainability of the results.
- 3.3 **Technical aspects.** The TC "Spatial Planning Assessment and Development Support for Suriname" ([ATN/AC-19447-SU](#)) will aid project preparation with relevant technical analyses, including studies to prepare the environmental and infrastructure requirements for the new buildings for MinROM and NMA, a change management strategy, the development of the spatial planning law, a geo-spatial data management and governance strategy, among others.



- 3.4 **Environmental and social aspects and Environmental Classification.** According to the Bank's Environmental and Social Policy Framework (ESPF), considering the available information, this operation is classified as Category "B" since its activities are likely to cause mostly local and short-term negative environmental and social impacts and for which effective mitigation measures are readily available. The main environmental and social impacts are associated with the construction of the buildings and are expected to occur mostly during execution phase: physical displacement of one dweller, increased dust, noise and emissions, ground and water pollution, disruptions of traffic patterns and other nuisances to the community, impeded access to residences and businesses, and increase risk of occupational and traffic hazards/accidents. During the operation, if adequate mitigation measures are not implemented, the policy subcomponent could result in changes in the use of land, impacts to Indigenous people and other vulnerable groups, and impacts to natural habitats and biodiversity.
- 3.5 Physical works will be carried out in a peri-urban developed location and are not expected to have impacts on Indigenous peoples, vulnerable groups nor on critical/natural habitats, or anticipated impacts to ecosystem services or cultural sites within the project area. Physical displacement of one dweller and temporary economic displacement of merchants are anticipated, as well as a potential environmental liability (minorly contaminated soils with used lab equipment). These risks and impacts will be confirmed during due diligence and a Resettlement and Livelihood Restoration Plan / Decontamination Plan will be prepared if applicable.
- 3.6 The Environmental and Social Risk Rating (ESRR) is estimated to be substantial, due to the expected direct minor to moderate impacts associated with the civil works, to the physical displacement of one person, and to the environmental and social context of the policy subcomponent. The Disaster and CC Risk Category (DCCRC) is preliminarily classified as moderate given the context of flooding and tropical storms and the low criticality of the physical infrastructure. Due diligence will confirm this assessment.
- 3.7 As per the Bank's ESPS 1, an Environmental and Social Management System (ESMS) comprising its seven pillars, including a Stakeholder Engagement Plan (SEP) with a grievance mechanism, will be prepared. The ESMS will contain any relevant evaluations and requirements to comply with ESPSs 1 to 10, and their corresponding proportional mitigation programs. For the policy subcomponent, a Strategic Environmental and Social Assessment (SESA) will be prepared to evaluate the potential risks and impacts of implementing the proposed changes, including a Strategic Environmental and Social Management Framework (SESMF) with guidelines to mitigate these risks and impacts at the time of policymaking (execution). Preliminary versions of socioenvironmental documents (ESA, ESMP, SEP) will be disclosed before the Analysis Mission, as per the Bank's policy on access to information (OP-102), meaningful consultation(s) will be carried out prior to Operations Policy Committee (OPC), and the definitive version of the ESMS will be disclosed before consideration by the Bank's Board of Executive Directors.

#### IV. TECHNICAL ASPECTS, ENVIRONMENTAL RISKS AND EXECUTION AND FIDUCIARY ASPECTS

- 4.1 **Executing agency and structure.** This project will have two Executing Agencies: The Ministry of Spatial Planning and Environment (Component 1) and the National Environmental Agency (Component 2). A PACI has been conducted for both agencies. NMA has a relatively moderate capacity to undertake the implementation of this project. ROM has a relatively weak capacity to undertake the implementation of this project. To mitigate shortcomings for both EAs, a Management Unit (MU) will be set up to support the management of the project, and a Project Operations Manual will be developed to support internal governance controls and ensure clearly defined administrative, institutional, technical, and operational frameworks for the project. The PIU supported by the MU will oversee the operation's activities planning and monitoring, including technical documents, procurement processes, payment verification and contract supervision. Also, training in Financial Management and Procurement will be offered by the Bank, as well as training/orientation in Bank related Policies & Procedures. The team will reanalyze the agencies' capacity during the preparation of the Proposal for Operation Development (POD) and add or remove conditions as needed.
- 4.2 **Fiduciary aspects.** Acquisitions financed with loan proceeds will follow policies GN-2349-15 and GN-2350-15; and financial management will follow the provisions of Guide OP-2731-2. No exceptions to Bank policies are anticipated; it will be reconfirmed in POD. Fiduciary risks will be identified and analyzed, and their level and guidelines that need to be included in the operating manual will be determined. Pursuant to the Macroeconomic Safeguards Improvement document (AB-2990), the disbursement of loan proceeds will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months, all of which will be counted from the date of loan approval by the Bank's Board of Executive Directors. These limits may not apply to the extent that the requirements established in the Bank's policy have been met, provided that the borrower has been notified in writing.
- 4.3 **Risks.** Identified risks are: (i) MinROM's limited implementation capacity for an operation of this size, scope and complexity, creating implementation delays; (ii) internal conflict within MinROM and lack of project coordination between MinROM and NMA leading to delays in implementation; (iii) resistance to change in MinROM and NMA, limiting staff's capability to take advantage of new operational arrangements, business processes, organizational structured, data systems, etc.; (iv) delays in implementing upgraded environmental and spatial planning data management systems could impact the outcomes of other activities in the project; and (vi) financial sustainability risks associated to the new agencies structures.

#### V. RESOURCES AND TIMETABLE

- 5.1 **Resources and Preparation timetable.** Preparation costs are estimated at US\$98,369, (see Annex II). The distribution of the POD to QRR is planned for June 19th, 2023, and the presentation of the Loan Proposal to the Bank's Board of Executive Directors is for July 26th, 2023.

- 5.2 **Justification of preparation period.** Given the complexity and the scope of this project, one of the largest investment loans in Suriname to date, the operation should follow the special processing procedure to ensure the preparatory studies are completed or close to completion before QRR. Both executing agencies are short-staffed and with limited technical capacity to specify their demands. The preparatory assessments are crucial to determine the needs of both agencies to plan the investments strategically. Additionally, the Bank needs to manage the recent changes in the leadership of MinROM to ensure buy-in of the new administration.

#### **Annexes**

- I. Summary of the Environmental and Social Review
- II. Timetable and Preparation Resources
- III. Filters for determining the processing track

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**SURINAME**

**STRENGTHENING SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT IN SURINAME**

**SU-L1067**

**INITIAL ENVIRONMENTAL AND SOCIAL REVIEW SUMMARY (ESRS)**  
**20/03/2023**

This document was prepared by:  
Nicolas Bujak (VPS/ESG)

With the support of the Project team:  
Tatiana Kopelman (CSD/HUD), Team Leader; Raul Delgado (CSD/CCS), Alternative Team Leader; Francine Vaurof (CSD/CCS); Gangadin, Raijant (CCB/CSU); Carlos Salazar (CSD/HUD); Silvia Perez (CSD/HUD); Dianela Avila (CSD/HUD); María Alejandra Villota (CSD/HUD); Mónica Centeno (LEG/SGO); Maria del Pilar Jimenez (LEG/SGO); Sofia del Castillo (CSD/GUD); Jorge Franco (SPD/SDV); Cleide Berlanda (VPC/FMP); Veerle Combee (VPC/FMP); Yves, Lesenfants (CSD/ACU).

Initial Environmental and Social Review Summary	
Operation Data	
Operation Number	SU-L1067
IDB Sector/Subsector	Urban Development and Housing / Urban Land Planning And Management
Type of Operation & Modality	LON/ESP
Initial E&S Impact Classification (ESIC)	B
Initial E&S Risk Rating (ESRR)	Substantial
Initial Disaster and Climate Change Risk Classification (DCCRC)	High
Borrower	Republic Of Suriname
Executing Agency	Ministry of Spatial Planning and Environment
IDB Loan Amount (and total project cost)	\$50,000,000.00 (\$50,000,000.00)
Applicable ESPS's with requirements	ESPS 1; ESPS 2; ESPS 3; ESPS 4; ESPS 5; ESPS 6; ESPS 7; ESPS 8; ESPS 9; ESPS 10
Executive Summary	
<p>According to the Bank's Environmental and Social Policy Framework (ESPF) and considering the available information to date, this operation is classified as Category "B" since its activities are likely to cause mostly local and short-term negative environmental and social impacts and for which effective mitigation measures are readily available. The main environmental and social impacts are associated with the construction of two ministerial buildings and are expected to occur mostly during the execution phase: potential physical displacement of one dweller, potential temporary economic displacement, increased dust, noise and emissions, ground and water pollution, disruptions of traffic patterns and other nuisances to the community, impeded access to residences and businesses, and increase risk of occupational (mainly linked to asbestos) and traffic hazards and accidents. Also, during the operation phase, if adequate mitigation measures are not implemented, the policy and carbon credits subcomponents of the operation could result in changes in the use of land, impacts to indigenous people and other vulnerable groups, and impacts to natural habitats and biodiversity.</p> <p>Physical works will be carried out in a peri-urban developed location and are not expected to have adverse impacts on indigenous peoples, vulnerable groups nor on critical/natural habitats, or anticipated impacts to ecosystem services or cultural sites within the project area. Physical displacement of one dweller and temporary economic displacement of merchants are anticipated, as well as a potential environmental liability (minorly contaminated soils with used lab equipment). These risks and impacts will be confirmed during due diligence and a Resettlement and Livelihood Restoration Plan / Decontamination Plan will be prepared if applicable.</p> <p>The environmental and social risk rating (ESRR) is estimated to be substantial, mainly due to the expected direct minor to moderate impacts associated with the civil works, to the physical displacement of one</p>	

person, and to the environmental and social context of the policy subcomponent. The disaster and climate change risk category (DCCRC) is preliminarily classified as high given the context of flooding and tropical storms, the low criticality of the physical infrastructure, and the potential to exacerbate vulnerability by the policy subcomponent, but due diligence will confirm this assessment.

As per the Bank's ESPS 1, an Environmental and Social Management System (ESMS) comprising its seven pillars and including a Stakeholder Engagement Plan (SEP) with a grievance mechanism, will be prepared for this operation. The ESMS will contain any relevant evaluations and requirements to comply with ESPSs 2 to 10, and their corresponding proportional mitigation programs. For the policy subcomponent, a Strategic Environmental and Social Assessment (SESA) will be prepared to evaluate the potential risks and impacts of implementing the proposed changes, including a Strategic Environmental and Social Management Framework (SESMF) with guidelines to mitigate these risks and impacts at the time of policymaking (execution). Preliminary versions of socioenvironmental documents (ESA, ESMP, SEP) will be disclosed before the Analysis Mission, as per the Bank's policy on access to information (OP-102), meaningful consultation(s) will be carried out prior to OPC, and the final version of the ESMS will be disclosed before consideration by the Board.

### Operation Description

The main objective of the Program is to strengthen Suriname's institutional capacity to manage land use, spatial planning, and environmental issues. The specific objectives of this project are to strengthen MinROM's institutional capacity for spatial planning, land use and environmental regulation; and to strengthen NMA's institutional capacity for environmental policy implementation, monitoring and enforcement.

Out of the Program's two components, the activities that imply environmental and social risks are:

- **Component 1.** Institutional Capacity Strengthening of the MinROM.
  - o **Subcomponent 1.1.** Organizational Resources, Infrastructure and Skills.
    - (v) construction of a bioclimatic building for the ministerial headquarters.
  - o **Subcomponent 1.2.** Spatial planning and environmental regulation and enforcement with climate change considerations.
    - (i) spatial planning, land use and environmental regulation and accompanying instruments; (ii) enforcement strategy.
- **Component 2.** Institutional Strengthening of the NMA.
  - o Subcomponent 2.1. Organizational resources, infrastructure, and skills.
    - (v) construction of a bioclimatic building for NMA headquarters.

*\*The operation is also considering a carbon credits subcomponent, yet to be further detailed.*

During the execution phase, physical activities will imply demolitions, excavations, embankments, use of heavy-duty equipment and vehicles, soil compaction, wet and dry construction, pavement breakage, temporary traffic interruptions, establishment of offices and other facilities, generation of waste, use of hazardous materials such as fuel, oils, greases, coolants, etc.

During the operation phase, increased amounts of solid waste is expected from the new buildings, as well as changes in the use of land from the enforcement of the new regulation.

It is expected that construction/physical interventions will be carried out in a peri-urban developed location and are not expected to have adverse impacts on indigenous peoples, vulnerable groups nor on critical/natural habitats, or anticipated impacts to ecosystem services or cultural sites within the project area. Physical displacement of one dweller and temporary economic displacement of merchants are anticipated, as well as a potential environmental liability (minorly contaminated soils with used lab equipment). Regarding natural hazards, the area of influence of the physical infrastructure is exposed to flooding and tropical storms.

The main environmental and social risks and impacts are described in boxes corresponding to ESPSs 1-10.

A spatial pre-screening of natural hazards and applicable socioenvironmental aspects can be found in the Annex.

#### Rationale for Classifications/Rating

<i>E&amp;S Impact Classification</i>	This operation is classified as <b>Category “B”</b> since its activities are likely to cause mostly local and short-term negative environmental and social impacts and for which effective mitigation measures are readily available. The main environmental and social impacts are associated with the construction of two ministerial buildings and are expected to occur mostly during the execution phase: physical displacement of one dweller, increased dust, noise and emissions, ground and water pollution, disruptions of traffic patterns and other nuisances to the community, impeded access to residences and businesses, and increase risk of occupational (mainly linked to asbestos) and traffic hazards and accidents. Also, during the operation phase, if adequate mitigation measures are not implemented, the policy and carbon credits subcomponents of the operation could result in changes in the use of land, impacts to indigenous people and other vulnerable groups, and impacts to natural habitats and biodiversity.	
<i>E&amp;S Risk Rating</i>	Preliminarily, the ESRR is <b>substantial</b> , mainly due to the low expected direct impacts of the physical infrastructure to be built, the potential indirect impacts caused by the new spatial regulation, the context of indigenous people which are not recognized by official sources, and the executor’s lack of experience in dealing with E&S issues in IDB financed operations.	
<i>DCC Risk Classification</i>	The DCCRC is preliminarily classified as <b>high</b> given the context of flooding and tropical storms, the low criticality of the physical infrastructure, and the potential to exacerbate vulnerability by the policy subcomponent, but due diligence will confirm this assessment.	
Is the use of Borrower E&S Framework being considered?		No
The governing instrument for this operation will be the Bank’s ESPF.		
Will the operation be co-financed or is there a possibility of being co-financed?		No
This operation is not co-financed.		

Environmental and Social Performance Standards (ESPSs) that apply to the proposed project	
<b>ESPS-1. Assessment and Management of E&amp;S Risks and Impacts</b>	Yes
<p>An Environmental and Social Management System (ESMS) comprising its seven pillars will be prepared for this Operation, as per ESPS 1. The ESMS will contain any relevant evaluations and requirements to comply with ESPSs 1 to 10, following a mitigation hierarchy strategy.</p> <p>A project-specific environmental and social framework will be established, defining the environmental and social objectives and principles guiding the project to achieve good environmental and social performance, and describing the overall structure, processes and operation of the environmental and social management requirements. It will include objectives, applicable regulations, roles and responsibilities, and any other general guidelines necessary for sound social and environmental management.</p> <p>Currently, there are no previous environmental and social studies for the proposed interventions. An environmental and social assessment (ESA) will be prepared for the proposed physical interventions, as well an environmental and social management plan (ESMP) to meet the requirements of the 10 ESPS. A decontamination plan and a resettlement and livelihood restoration plan (RLRP) will also be produced if the due diligence establishes so (<i>vide</i> ESPS 3, 4, and 5). Finally, for the policy subcomponent (including carbon credits), a strategic environmental and social assessment (SESA) and a strategic environmental and social management framework (SESMF) will be prepared to analyse the potential risks and impacts of the proposed modifications to the national legislation, and to provide guidelines to mitigate these at the time of policymaking (execution).</p> <p>Preliminarily, the EA does not have a proven track record in managing ESHS aspects in IDB-financed operations. Its capacity will be assessed during preparation and using the Bank's Institutional Capacity Assessment Platform (ICAP). If a gap is found, a strengthening strategy will be put in place, which will include training sessions and a contractual condition for hiring ESHS specialists.</p> <p>Guidelines for emergency preparedness and response will be prepared so that the Borrower, in collaboration with appropriate and relevant third parties and relevant government agencies and authorities, will be prepared to respond to accidental and emergency situations associated with the project in a manner appropriate to prevent and mitigate any harm to people and/or the environment. This section will also include response to disaster and climate change risk that is identified in ESPS 4 box.</p> <p>Regarding meaningful consultations, a stakeholder engagement plan (SEP) will be developed in accordance with the ESPS 10 and any other applicable PS. As part of the due diligence, the grievance redress mechanism of the executor will be evaluated and, if necessary, improved to reach the ESPF requirements.</p> <p>Finally, the ESMS will contain guidelines on ESHS monitoring and supervision, and the Borrower will inform the Bank about the compliance of environmental and social management activities in its semi-annual report.</p>	



ESPS-2. Labor and Working Conditions	Yes
<p>Physical activities for this Operation (the ones described in the Description box) involve minor to moderate health and safety occupational risks. These include accidents, ergonomic risks, noise and vibrations, poor air quality, higher risk of contracting Covid-19, among others. Additionally, there could be a risk of handling hazardous materials such as fuel, oil and lubricants that will be used during construction. Furthermore, asbestos, hydro-fluorocarbons and others hazardous materials might appear during demolition works, which may pose risks to workers. The ESMP will include an Occupational Health and Safety Risk Management Plan, an asbestos management plan and an emergency response management plan.</p> <p>No significant adverse occupational risk or impact is expected during the operation phase, but the due diligence will confirm this assessment.</p> <p>Related to risks of forced labour in supply chains, there is no information on the inclusion or not of solar panels as part of the operation activities. This information will be corroborated during the due diligence and an estimate of the installed capacity of panels that could be acquired will be made in the Procurement Plan. The guidelines and conditions to avoid the acquisition of such components that originate from supply chains associated with forced labour will be included in the ESMP.</p> <p>No risks of child or forced labour are reported for the projects in the sample. The minimum age for formal employment in Suriname is 18 years (higher than that imposed by the Bank's ESPF), and the operation will comply with this requirement.</p> <p>During the due diligence, the code of conduct that the MOHW implements with its contractors will be evaluated and benchmarked against the requirements of the ESMP and, if necessary, strengthened and included in the updated ESMP. Finally, the condition of non-discrimination and freedom of association and collective bargaining will also be evaluated.</p>	
ESPS-3. Resource Efficiency and Pollution Prevention	Yes
<p>During the construction phase, the physical interventions of the project activities are expected to be of minor to moderate magnitude, with adverse environmental risks and impacts typical of urban and peri-urban civil works: noise pollution; dispersion of dust; generation of vibrations; emanation of gases and particulate matter; potential spillage and eventual runoff into water bodies of hazardous materials (if not properly handled) such as fuels, solvents, oils, greases, coolants, anti-corrosives, herbicides, etc.; potential for poor management of liquid and solid waste and the consequent proliferation of unwanted fauna; soil erosion; and damage to natural drainage, among others. Also, potential contamination (minutely contaminated soils with used lab equipment) could be happening since this kind of waste was identified on site during the visits.</p> <p>The ESMP will contain measures to mitigate all these risks and impacts (including, if necessary, a decontamination plan) according to ESPS 3, its implementation guidelines, and the World Bank Group General EHS Guidelines 1-4.</p>	

During the operation phase, no significant adverse impact is expected, to be confirmed during the due diligence.

Regarding resource efficiency, the bioclimatic buildings are expected to be water and energy efficient. Lastly, there is still insufficient information on the generation of greenhouse gases (GHG). It is estimated that less than 25,000 tons of CO<sub>2</sub>eq will be generated during construction. However, during the due diligence process this information will be confirmed and gross GHG emissions will be calculated using the Bank's "Greenhouse Gas Inventory Tool for IDB Operational Portfolio". Additionally, the SESA will estimate the potential indirect emissions from implementing the legislation change, and propose measures to decrease carbon-intense activities.

<b>ESPS-4. Community Health, Safety, and Security</b>	<b>Yes</b>
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During the execution of the works, it is expected that the surrounding population will be exposed to noise, vibrations, dust, vehicle and heavy machinery emissions, traffic disruptions, temporary blockage of access to homes and/or businesses, increased insecurity, etc. Hazardous materials such as fuels, oils and other lubricants, among others, will be used. If they are not stored and handled correctly, there is a low risk of contaminating water sources. In addition, a greater production of liquid and solid waste, assimilable to domestic and construction waste, is expected, so it will be managed in accordance with best practices to avoid soil and water source contamination. Section NDAS 3 details guidelines for managing these types of risks and impacts, which must be included in the ESMP.

Second, with respect to the risk of disease, if the current COVID-19 pandemic continues, there is an exacerbated risk of contagion among the community and workers due to the influx of workers into the area of influence of the project, and possible non-compliance with the recommended hygiene and protection measures. The national health regulations in force at the time of execution will be followed, in addition to the ESHS guidelines in the ESMP. Likewise, the risk of other contagious diseases due to the influx of workers must be considered, including an increased risk of sexually transmitted diseases to the population. There is also the risk of diseases related to attraction of vectors (such as mosquitoes and other insects, rodents, etc.) due to the accumulation of stagnant water and waste, which, if not properly managed with the tools of the ESMP, could be exacerbated.

With respect to security personnel, the risks from their use are estimated to be low; however, a code of conduct will be adopted if security personnel are deemed necessary.

The Program is preliminarily classified with an DCCRC of High, since the buildings future site is exposed to flooding and tropical storms and the infrastructure criticality/vulnerability is deemed to be low. However, the policy subcomponent could, if not adequately implemented, exacerbate the risk of disasters and climate change. The [Disaster and Climate Change Risk Assessment Methodology for IDB Projects](#) will be followed for both the ESA and SESA. A narrative will be prepared and additional steps (DRMP and/or strategic DRMP) will be taken if necessary.

<b>ESPS-5. Land Acquisition and Involuntary Resettlement</b>	<b>Yes</b>
<p>No land acquisition is expected for the construction/physical interventions in this Program. Temporary economic displacement is possible (relocation of nearby merchants, impeded access to businesses, etc.) and physical displacement of one dweller (the caretaker of the current venue) is anticipated. These aspects will be confirmed during due diligence, and a RLRP will be prepared if necessary, according to the requirements of this ESPS, and disclosed with the fit-for-disclosure documents.</p> <p>The piece of land that will be used for the construction of the buildings has a surface of approximately 6000 m<sup>2</sup>, and, according to the available information to date, no registered owner. As per national legislation, the state owns all land and only those who can show titles that derive from the state, may claim ownership rights. The Bank's due diligence will assess the land ownership issue of this parcel. It will analyze whether it needs to be acquired by particular title (with previous owner) or by domain principle (no previous owner), and propose a mechanism to meet with national legislation as well as with this ESPS (e.g., previous to the start of the physical works, proof of registration by means of the Ministry of Land Policy and Forestry, Department of Domains).</p> <p>The SESA will also assess potential indirect physical/economic displacement as a product of the proposed change in land regulation, and, if confirmed, will propose guidelines to mitigate these risks, to be incorporated into the final version of the policy draft.</p>	
<b>ESPS-6. Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	<b>Yes</b>
<p>All physical works are to occur in urban and peri-urban environments, with minor to no impacts on biodiversity. Nonetheless, the due diligence will confirm this.</p> <p>However, given the land zoning policy and carbon credits subcomponents, natural and/or critical habitats and ecosystem services could be impacted. The SESA will evaluate these risks, as well as those related to invasive alien species, living natural resources, and primary suppliers of potential future activities, and propose guidelines aligned with this ESPS to be incorporated into the final version of the policy draft. Guidelines will include, among other aspects, measures to achieve net zero loss for biodiversity indicators in natural habitats and net gain for critical habitats.</p>	
<b>ESPS-7. Indigenous Peoples</b>	<b>Yes</b>
<p>No indigenous populations are present in the projects' areas of influence. Also, an initial GIS screening shows no indigenous lands or communities in the Project area of influence. Nonetheless, the due diligence will confirm this.</p> <p>However, given the land zoning policy and carbon credits subcomponents, depending of the proposed modifications, indigenous communities or lands could be indirectly adversely impacted if avoidance/minimization measures are not implemented. The SESA will evaluate these risks (including a strategic sociocultural analysis), and the SESMF will provide input for the final version of the policy draft in relation to the requirements of this ESPS.</p>	

<b>ESPS-8. Cultural Heritage</b>	<b>Yes</b>
<p>The project will not affect cultural nor critical cultural sites or heritage. Nonetheless, the due diligence will confirm this. Additionally, the management programs pillar of the ESMS will include a chance findings procedure.</p> <p>However, given the land zoning policy and carbon credits subcomponents, depending on the proposed changes to the national and local regulations, tangible and intangible heritage could be adversely impacted if avoidance/minimization measures are not implemented. The SESA will evaluate these risks, and the SESMF will provide input for the final version of the policy draft in relation to the requirements of this ESPS.</p>	
<b>ESPS-9. Gender Equality</b>	<b>Yes</b>
<p>During construction of works, there is a risk of sexual harassment, gender-based discrimination, and other forms of gender-based violence that are frequent in these types of activities. The due diligence will analyse this aspect (including the risk of child abuse and exploitation), and indicators will be established in the ESMP. In addition, the stakeholder engagement plan will propose measures to include women in the consultation process throughout the entire project life cycle. The ESA will identify any risk associated with the influx of workers.</p> <p>During operation, as mentioned for the previous PS, depending on the proposed modifications of the national legislation, women, gender-diverse or vulnerable groups could be adversely impacted, segregated, left out of the benefits of the modifications, and other consequences. This will be assessed by the SESA and guidelines to meet the requirements of ESPS 9 will be incorporated into the SESMF and ultimately into the final version of the policy draft during execution.</p> <p>Finally, the ESMP will include a worker code of conduct with specific measures on safeguarding gender equality, to be also incorporated in the tender documents.</p>	
<b>ESPS-10. Stakeholder Engagement and Information Disclosure</b>	<b>Yes</b>
<p>So far there have been no stakeholder engagement processes or information disclosure. During the due diligence, the stakeholder engagement plan (SEP) will be prepared, including stakeholder mapping with special attention to parties that present levels of vulnerability. Taking into account the likelihood of physical and economic displacement, the RLRP will be disclosed for consultation as well. The guidelines of the IDB's <a href="#">Guide for Meaningful Stakeholder Consultations</a> will be followed.</p> <p>A consultation process is expected to be carried out during the due diligence process in accordance with the progress of the corresponding environmental and social studies. A grievance redress mechanism will be established as part of the operation's ESMS. Similarly, the operation will have a program to address environmental, social, and health and safety complaints that will allow complainants to express their concerns.</p> <p>Since the SESA and SESMF are likely to be prepared when the policy and carbon credits subcomponents is detailed enough, the SEP will include guidelines to carry out meaningful consultation rounds for these</p>	

documents, which will have to be culturally appropriate in the case that indigenous peoples are adversely impacted. This will also be included in the environmental and social action plan (ESAP).

The SEP will be culturally appropriate and incorporate gender, biodiversity and heritage perspectives.

### IDB Environmental and Social Due Diligence

#### Strategy for Due Diligence

<i>E&amp;S Assessment requirement</i>	<i>Status of development</i>	<i>Estimated resources to finalize (specify Bank or Borrower cost)</i>	<i>Estimated timeline to finalize (inc. consultation)</i>
<i>Environmental and Social Management System (ESMS)</i>	<i>Not yet started</i>	<i>Estimated, US\$25k</i>	<i>Execution: 3 months Intended start: Early April 2023 Consultation: End of May 2023.</i>
<i>Environmental and Social Assessment (ESA), Environmental and Social Management Plan (ESMP), and Stakeholder Engagement Plan (SEP)</i>	<i>Not yet started</i>	<i>Included in the budget above</i>	<i>Execution: 3 months Intended start: Early April 2023</i>
<i>Resettlement and Livelihood Restoration Plan (RLRP) and Decontamination Plan (if applicable)</i>	<i>Not yet started</i>	<i>Included in the budget above</i>	<i>TBD. Pending results of due diligence.</i>
<i>Strategic Environmental and Social Assessment and Management Framework (SESA, SESMF)</i>	<i>Not yet started</i>	<i>Estimated, US\$80k</i>	<i>Execution: 3 months Intended start: Early May 2023 Consultation: End of June 2023.</i>

Annexes	
Annex A.	E&S Maps

Annex A. Environmental and Social Maps

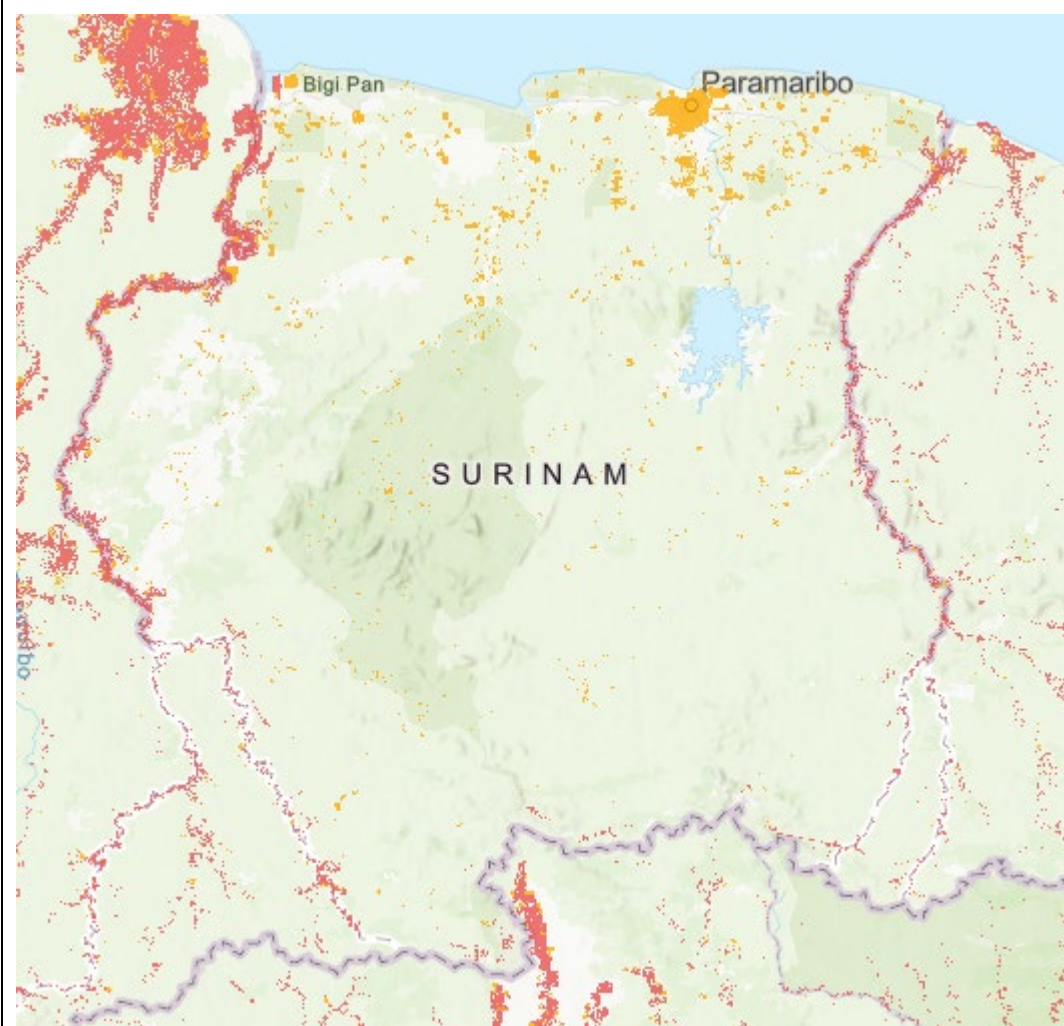


Figure 1. Risk of riverine flooding. Yellow: moderate; red: high.

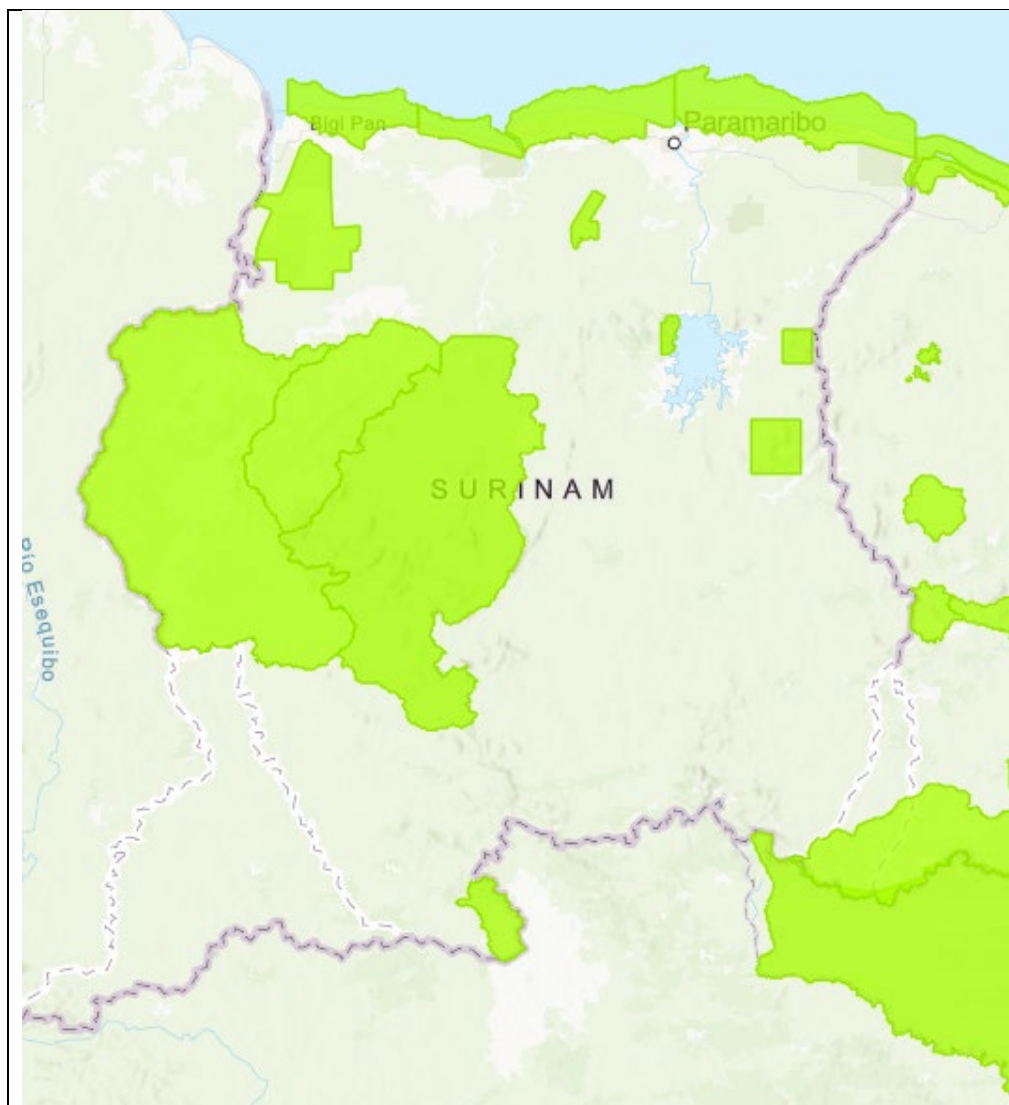


Figure 2. Key Biodiversity Areas (KBA).



Figure 3. Indigenous territories in gray: non-titled territories.



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<sup>1</sup> The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.

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